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Multiple Offer Guidelines

Used with permission from the Maine Real Estate Commission

Communicate early and often. When taking a listing or entering into a buyer representation agreement, the agent should explain to the client how offers and counter offers are handled and the possibility of competing offers.

The agent advises – the client decides. The decisions about how offers will be presented, negotiated and ultimately accepted or rejected are made by the client – not the agent. All offers must be communicated and agent must keep client informed of stated interest in property.

Offers and counter offers in writing. Offers and counter offers should be in writing to ensure that the terms, time frames and legal obligations of the parties are understood. Written counter offers should include a specific time period for acceptance. Withdrawal of a written offer or counter offer should be made in writing.

Terms of offers and counter offers are confidential. The terms of offers and counter offers may not be disclosed by agent without the prior written consent of both the seller and buyer. Disclosing that a full price offer has been made is disclosing a term and is a violation.

The seller decides whether the existence of an offer or competing offer is confidential. Disclosing that an offer has been made or that an offer may be received is not confidential information unless the seller asks the agent to keep such information confidential.

Full-price offer does not obligate the seller to accept the offer. Listing property for sale is an invitation from the seller for buyers to make offers. The seller is not obligated to sell the property even if a buyer makes a full price, cash offer.

No priority to offers. The first or highest offer made does not bind or otherwise limit the seller to act upon that offer before considering any other offers.

Agent communication. Agents should make reasonable efforts to keep cooperating brokers informed, consistent with client's instructions.

Agents are not attorneys. Agents should advise clients to seek legal counsel from attorneys regarding any questions about the legal status of an offer or contract.

The Seller Client – Competing Offers

- Accept one offer, and inform no one of the other offers
- Reject all offers and encourage higher offers.
- Counter one offer (may withdraw counter, in writing, prior to acceptance) – do not inform other buyers.
- Delay acceptance – waiting for another offer.
- Alert one or more buyers that they are in a competing offer situation.
- Alert all buyers that they are in a competing offer situation.

The Buyer Client – Competing Offers

- There is no requirement that the buyer be informed by the seller or listing agent of the existence of other offers before another offer is accepted.
- Seller has the right to negotiate with only one buyer at a time and not reveal this to other buyers.
- Terms of buyer's offer are confidential but the existence of the offer may be communicated to other buyers.
- Seller may accept an offer on terms other than the price.



A Letter from the Chairman

Spring has brought renewed vigor to the real estate market, as it usually does. And, for sellers at least, the situation may arise for multiple offers to be presented at one time. While the sellers can benefit from this situation, it can provide an uncomfortable situation for the buyer's representative if their client's offer is not accepted.

Recently, we have seen an increase in phone calls from buyers who have found themselves in this situation. In most cases the listing and selling agent did what was required of them. However, it serves as a reminder how important it is to explain to your buyers what can happen in the event their offer is not the only one being presented to the seller.

Most scenarios are similar to this: an offer has been made, a counter offer is made by the seller, and before an agreement has been made between these two parties, a second offer from another buyer is presented and the seller accepts it. The first buyer feels that they should have "first rights" and that the home has been sold out from under them. We all know that the seller can accept any offer and that an offer is not officially accepted, or binding, until both parties have signed the purchase agreement and all counter offers (if applicable). All agents involved did what was required of them, but the perception from the first buyer to make an offer is that their agent did not do their job since they did not get the home.

Not that this is a cure all, but I would like to remind everyone that the Consumer Guide that is to be provided to your clients is a great resource for them. They can refer to it if they want clarification about terms or definitions, what role you play in the relationship, and the general process of purchasing and selling a home. While it is the consumer's choice as to whether or not they read the material, please take a moment to explain to your client what the booklet is and its intended purpose. It

may alleviate some of the confusion that can occur given the scenario above. The guide is also available in a PDF format and can be found at www.state.sd.us/sdrec/.

In this newsletter you will also find some guidelines for multiple offer situations that you may find informational. Additionally, if offered in your area, a homebuyer education class is also a great resource, especially for first time homebuyers or clients that you feel may need some additional education about purchasing a home.

Lastly, thank you for the feedback that I have been receiving. If there are other items of interest that you would like covered in the newsletter, please contact the Commission office at (605) 773-3600.

Sincerely,
Brian



From the Director's Desk

Although some of our spring rains have been devastating, many parts of the state have benefited from them. The foliage is absolutely beautiful — so green and lush. You might say that Mother Nature has provided her own "curb appeal".

Michelle Metzinger and Angela Madsen have been on the road conducting audits. One of the most common audit exceptions being found is the use of obsolete Real Estate Relationships Disclosure Statements, Agency Agreement Addendums and Sellers Property Condition Disclosure Statements. Make sure that you are using the Real Estate Relationships Disclosure Statement and Agency Agreement Addendum that contain the appointed agency option. Even though your office policy may not practice appointed agency, the consumer is to be made aware that this option is permitted in this state. In regard to the Sellers Property Condition Disclosure Statement, you must be using the one that requires prior manufacturing

of methamphetamines to be disclosed. All these forms are available on the Commission's website at www.state.sd.us/sdrec.

I recently came across an open house tip that could help curtail the manufacturing of methamphetamines. Make sure your sellers keep any cold medications containing pseudoephedrine in a place not accessible to the public. Because of states banning over-the-counter sales of these types of medicines, meth cookers are posing as potential buyers.

At a recent meeting of the Appraiser Certification Advisory Council, a concern was raised about appraisals performed by broker and broker associates. If you engage in appraisal activity, you must adhere to the current version of The Uniform Standards of Professional Appraisal Practice (USPAP).

Even though we're at the beginning of summer, fall will be here before we know it. If your license renews at the end of this year, be sure to start scheduling courses. By completing the necessary education early, you won't have to worry about the availability of courses as the renewal deadline draws near.

I wish you all a safe and memorable Fourth of July. Franklin D. Roosevelt once said, "In the truest sense, freedom cannot be bestowed; it must be achieved. On this day of celebration, let us be reminded of the men and women serving our country in the armed forces who make our freedom possible.

DjN



In Memoriam

The SD Real Estate Commission extends its sincerest sympathy to the families and friends of the following licensee who recently passed away:

Lyle Wendell, Custer
Licensed Broker for 38 years

William "Billy" Richardson,
Mobridge
Licensed Broker from 1956-2005

Real Estate News from Around the U.S.

(used with permission from ARELLO)

Maryland To License Home Builder Sales Agents

A new law passed in Maryland requires individuals who sell any real estate as sales agents for home builders to be licensed by the Maryland Real Estate Commission. As originally introduced, Maryland's H.B. 1288 would have required home builders to obtain real estate licenses, but that provision of the bill was eliminated early in the legislative process. Home builders in Maryland will remain exempt from real estate licensure regarding the rental or initial sale of a home constructed by the builder. However, Maryland home builders are required to register with the Home Builder Registration Unit in the Consumer Protection Division of the Maryland Attorney General's Office.

Pennsylvania Case Tests Broker Supervision Duties

A recent Pennsylvania appellate court decision highlights the distinction between statutory provisions that impose real estate broker supervision duties and statutes that absolve brokers from liability for the misconduct of others, in the absence of actual knowledge. In Gibbons v. Bureau of Professional and Occupational Affairs, State Real Estate Commission, the Pennsylvania Commonwealth Court held that the Commission need not establish that a broker have actual knowledge of a salesman's misconduct in order to discipline the broker for failure to supervise. Gibbons functioned as the licensed "broker of record" of his sole proprietorship. An employed salesperson allegedly engaged in numerous license law violations in a commercial transaction that failed to close. The appellate decision indicates that Gibbons was not advised or notified of the transaction until after it failed. Following a hearing, the Commission imposed a 30-day suspension of Gibbons' license and a \$3,000 civil penalty for "failure to adequately supervise". Gibbons' appealed, relying, in part, on a Pennsylvania statute that absolves brokers of liability for the misconduct of

employed persons absent actual knowledge. In upholding the Commission decision, the Court reasoned that it was Gibbons' ignorance of the misconduct, not the misconduct itself, that served as the basis for the sanctions. Therefore, proof of actual knowledge was not required.



New Publication from the Federal Trade Commission

Buying a Home: It's a Big Deal

Home buyers today have a wide variety of choices when it comes to real estate services. The Federal Trade Commission has tips for considering a real estate professional and using the Internet as a new source of information, and explains why new sales models for buying and selling a home mean more choices for consumers.

The new publication, "Buying a Home: It's a Big Deal," lists questions to ask when a consumer is considering a real estate professional. It prompts home buyers to determine who the agent works for, and the type of business relationship that they will have with the agent. It also says that consumers need to know whether their agent has made the required disclosures and whether their agent plans to show them homes listed by non-traditional brokers.

The publication also explains some of the new services available from real estate professionals. For example, some brokers might offer to list a home on the local Multiple Listing Service (MSL) for a fee, while they hand off other aspects of the sale to the seller. Other brokers might offer a menu of services from which the seller can choose. The

publication notes that while some agents may be reluctant to deal with brokers who are using non-traditional sales models, these new sales models can reduce the cost of selling a home, which, in turn, can result in a lower purchase price.

The publication, online at <http://www.ftc.gov/bc/edu/pubs/consumer/alerts/zalt001.shtm>, also explains the difference between brokers and agents, their role in home sales, and information about negotiating sales commissions.

The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them.

South Dakota Real Estate VIEW

Official Publication of the
South Dakota Real Estate Commission
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Articles by outside experts express the author's particular viewpoints. These opinions are not necessarily shared by the Commission, nor should they be mistaken for official policy. The articles are included because they may be of interest to the readers.

SD Division of Banking Tasked with Implementing New Regulations for Mortgage Lenders, Brokers, and Loan Originators

**Bret Afdahl, Counsel to the Division of
Banking, (605) 773-3421, 217 ½ W.
Missouri Ave, Pierre, SD 57501.**

The mortgage lending industry in South Dakota will be subject to more regulation as a result of the passage of Senate Bill 165. On July 1, 2007, the current statutes in chapter 54-14 will be repealed and replaced by SB 165, a bill brought to the South Dakota Legislature by the South Dakota Mortgage Brokers Association. The language of SB 165 will be codified as SDCL 54-14-12 through 54-14-33 (The Act).

The Act will provide definitions of mortgage lenders, mortgage brokers, mortgage brokering activities, mortgage loan originators, and mortgage lending activities. Each mortgage lender and mortgage broker must apply for licensure and each mortgage loan originator working for a licensed lender or broker must be registered with the Division.

The Act also requires each applicant for licensure and registration to undergo a background investigation conducted by the South Dakota Division of Criminal Investigation and the Federal Bureau of Investigation. Each person who applies for a license must provide proof of at least two years experience working for a lender or broker licensed in South Dakota. Any applicant for licensure will be required to submit proof of a surety bond in favor of the state in the amount of \$25,000. The Act also provides authority to implement continuing education requirements for all licensees and registrants.

The Act goes on to provide authority for the Division to conduct exams on all licensees. The Division is also granted the authority to suspend or revoke any license based upon specific grounds.

You can view the text of Senate Bill 165 at: <http://legis.state.sd.us/sessions/2007/bills/SB165enr.htm>.

All applications for licensure or registration filed after July 1, 2007, must meet all of the new requirements contained in SB 165 at the time of application. Licenses granted prior to July 1, 2007, will be valid until December 31, 2007, but will need to file proof of their surety bonds no later than August 31, 2007. In addition, as soon as fingerprint cards are available from the Division, all existing licensees and all applicants for licensure and registration must submit their information to the Division to provide for a background investigation. The exemptions from licensure contained in SDCL 54-14-4 were carried forward into this new bill, which include banks and bank subsidiaries, trust companies, licensed real estate brokers, and insurance companies.

The Division is in the process of finalizing several rules to implement the provision of SB 165. These rules will: set the license and renewal fees for all licensees and registrants; will list the information to be included in the application form and establish grounds for denial of an application; establish the process for submitting fingerprint cards for the required background investigations; establish a deadline for submitting surety bonds; establish a list and timeframe for records to be kept by each licensee; detail the process and frequency of examinations; establish acceptable proof of work experience; and to set the minimum number of continuing education credits necessary for the renewal of licenses and registrations. You can view the Division's rules at: <http://legis.state.sd.us/rules/DisplayRule.aspx?Rule=20:07:19&Type=All> after July 1, 2007, and we plan to add a link to these rules on our website as soon as possible.

If you have questions about Senate Bill 165, the Division's rules, or would like more information, please visit the Division's website at: <http://www.state.sd.us/drr2/reg/bank/BA-NK-HOM.htm> or contact us at (605) 773-3421.

New Licensees

Broker

Berglee, Clifton M – Billings, MT
Maule, Theresa M – Winner
Newman, Blair – Torrington, WY
Nohava, Stephen F – Clark
Sandage, Duane W – Ames, IA
Stephenson, James L – Sioux City, IA

Broker Associate

Barnes, Michael A – Rapid City
Blauer, Erica J – Watertown
Brandsma, Adam J – Sioux Falls
Braun, Warren L – Rapid City
Chlebek, Andrew W – Rapid City
Christensen Bortnem, Marin – Sioux Falls
Dimmick, Christopher W – Ellsworth AFB
Domek, Thomas – Custer
Dubsky, Donna E – Harrisburg
Fiechtner, Mark R – Watertown
Gabbert, Kye D – Hermosa
Gross, Janet M – Huron
Grosz, Perry D – Rapid City
Groves, Sheralin M – Hill City
Gruis, Brian L – Sioux Falls
Hacecky, Tanya L – Yankton
Hepper, Cassidy A – Rapid City
Hetzel, Glenn E – Rapid City
Hoogestraat, Carol J – Rapid City
Houge, Brenda M – Huron
Jewett, Kristi – Spearfish
Johnson, Sarah – Sioux Falls
Kasten, Julie D – Clear Lake
Kelly, Kelly S – Sioux Falls
Kiner, Dennis R – Mitchell
Kirschenman, Amanda H – Rapid City
Mahlen, Jackie – Watertown
Malloy, Rachel T – Sioux Falls
Marcy, Sadie A – Rapid City
McManigal, Riley R – Rapid City
Middleton, Jeania D – Rapid City
Morgan, Cliff – Rapid City
Olson, Bradley A – Lennox
Olson, Suzanne – Sturgis
Ortman, Somer J – Sioux Falls
Osborn, Ronald D – Rapid City
Pletan-Vaughn, Shonda M – Pierre
Rasmussen, Anne – Sioux Falls
Reents, Sharon A – Arlington
Rickert, Ryan A – Sioux Falls
Sabag, Judy – N. Sioux City
Schaub, Thomas L – Hill City
Smit, David D – Sioux Falls
Steen, Colin – Sioux Falls
Stewart, Debra L – Spearfish
Thomsen, Dean A – Yankton

Trusov, Alex A – Sioux Falls
VanLierre, Sherry L – Wentworth
Vasknetz, Shanon E – Sturgis
Weller, Rick A – Spearfish
Wheeler, Colette A – Watertown
Wing, Jeanne M – Silt, CO
Wombold, Randall J – Rapid City

Res. Rental Agent

Baedke, Jami R – Vermillion
Cazun, Sarah L – Sioux Falls
DeGraaf, Sabrina – Spearfish
Hanzlik, Denise – Dell Rapids
Lawver, Lita – Deadwood
Lloyd Ernst, Christie – Sioux Falls
Morvay, Gayle L – Watertown
Van Rooyen, Joshua J – Sioux Falls

Salesperson

Aanenson, Gene – Luverne, MN
DeJaeghere-Winter, Karen – Luverne, MN
Hobart, Michael M – Sioux City, IA
Petty-Lucht, Kathleen – Casper, WY

Timeshare Agent

Kellogg, Kathryn C – Rapid City

Reg. Home Inspector

Disanto, Christopher D – Sioux Falls
McKnight, Patrick N – Colman
O Grady, Robert W – Tyndall
Wiedmeier, Dennis R – Redfield

Continuing Education Corner

By Karen Callahan, Education Director

Account numbers, pin numbers, phone numbers, cell numbers, fax numbers, identification numbers, confirmation numbers - there's just no escaping the numbers we deal with every day.

When it comes to continuing education, however, there is one number that is worth knowing – your LICENSE number!

The best way to ensure credit for a continuing education course is to write your license number in addition to your name on all registration and sign-in sheets. If you cannot remember your license number, be sure to carry the

pocket card issued with your license with you when you attend a course. The SDREC office is beginning to see many instances of same-name or similarly-named licensees, sometimes making it difficult to determine who should receive the education credits.

When signing registration and attendance sheets, be sure your name and license number is written clearly so that education providers can read them and report the correct information to the SDREC office. If you have a nickname or have recently had a name change, use the name that appears on your license on the sign-in sheets.

It is a good idea to check your continuing education report regularly to ensure your continuing education hours have been reported correctly. It may take up to three weeks after the course date for the information to show up on these reports. To view your education report, log on to www.state.sd.us/sdrec and click on the "Licensees Only" section.

APPRAISER UPDATE

This section of the South Dakota Real Estate Review is the responsibility of the South Dakota Department of Revenue and Regulation Appraiser Certification Program. Articles are printed here to communicate pertinent information to those appraisers who receive this newsletter and are licensed under the Certification Program. Appraiser certification inquiries can be directed to Sherry Bren, Program Administrator, 445 East Capitol, Pierre, SD 57501, 605-773-4608.



**Sherry Bren,
Executive
Director
(605)
773-4608
445 E. Capitol
Pierre, SD
57501**

Appraiser Certification Program Mission-Purpose- Intent

The Appraiser Certification Program was implemented July 1, 1990, pursuant to enactment of Title XI of the Financial

Institutions Reform, Recovery and Enforcement Act (FIRREA) by Congress.

The mission of the Program is to certify, license and register appraisers to perform real estate appraisals in the State of South Dakota pursuant to Title XI (FIRREA). The purpose of the Program is to examine candidates, issue certificates, investigate and administer disciplinary actions to persons in violation of the rules, statutes and uniform standards, and approve qualifying and continuing education courses. Title XI intends that States supervise all of the activities and practices of persons who are certified or licensed to perform real estate appraisals through effective regulation, supervision and discipline to assure their professional competence.

Appraiser Certification Program Advisory Council

Council members provide recommendations to the Secretary of the Department of Revenue and Regulation in the areas of program administration in order to sustain a program that is consistent with Title XI. The Council meets quarterly in public forum. See the Website for meeting information.
www.state.sd.us/appraisers



Notice State-Registered Appraisers

Effective December 27, 2005 state-registered appraisers must report the name of each supervising appraiser and maintain a separate Appraisal Experience Log for each supervising appraiser.

A state-registered appraiser is not required by South Dakota law or administrative rule to be supervised by a licensed or certified appraiser unless the appraisal assignment is for federally related transaction purposes. However, it is common in the market place for clients and other users of appraisal services to require supervision and the signature of a licensed or certified appraiser regardless of the nature of the transaction.

In the event that a state-registered appraiser has a supervisor(s), the state-registered appraiser must register the supervisor(s) with the Department. **If a state-registered appraiser fails to report and submit the Supervisor Registration, the appraiser is in violation of the administrative rules which may result in disciplinary action and the appraiser will not receive credit for appraisal experience for assignments that require a supervisor.**

State-registered appraisers may have more than one (1) supervisor. Each supervisor must be reported. Supervisors may not supervise more than three (3) state-registered appraisers at one time. A supervisor must be licensed or certified by the department and not subject to any disciplinary action that affects legal eligibility to engage in appraisal practice within the previous two (2) years.

A supervising appraiser is responsible for the training, guidance, and direct supervision of the state-registered appraiser. This responsibility includes the following actions:

- Accepting responsibility for the appraisal report by reviewing, signing, and certifying the report complies with the uniform standards; and
- Personally inspecting each appraised property with the state-registered appraiser until the supervising appraiser determines

the state-registered appraiser is competent in accordance with the competency rule of the uniform standards and the administrative rules.

Submit the completed Registration for each supervisor that you have. Note that you and the supervisor **must** sign and date the Registration.

If you add a supervisor you must complete another Registration. If you discontinue association with a supervisor you must notify the Department, in writing, immediately.

Please review the Directives for licensees regarding the supervisory appraiser and state-registered appraiser association, duties and responsibilities.

The Supervisor Registration form, Appraisal Experience Log, and Supervisor and State-Registered Appraiser Directives are available by contacting the Department of Revenue and Regulation, Appraiser Certification Program, 445 E. Capitol Ave., Pierre, SD 57501, telephone 605.773.4608 or Website at www.state.sd.us/appraisers.

If you have any questions or need assistance, please feel free to contact Sherry Bren at 605.773.4608.

USPAP Q & A

Vol. 9, No. 5, May 2007

Confidentiality and Intended Users

Question: I recently performed an appraisal. Yesterday, an intended user who is not the client contacted me to discuss the appraisal. Do I need the client's authorization to discuss the appraisal with this intended user?

Response: Yes. Although intended users have an important role in the appraiser's decisions about the appropriate scope of work and the content of the report, the appraiser cannot discuss the appraisal with an intended user without the client's authorization. The Confidentiality section of the ETHICS RULE states:

An appraiser must not disclose confidential information or assignment results prepared for a client to anyone other than the client and persons specifically authorized by the client...

The appraiser-client relationship is distinct from the appraiser's relationship to intended users.

Significant Appraisal Assistance

Question: In preparing an appraisal assignment, I talk with many different people. I know the report certification must identify individuals who provide "significant real property appraisal assistance." What is significant appraisal assistance?

Response: USPAP does not include a definition of significant appraisal assistance. However, aspects of this phrase can be explored to clarify its meaning.

First, the term "significant" means that the contribution must be of substance to the development of the assignment results. In other words, the individual must contribute to the valuation analysis in a noteworthy way. An individual who merely collects or provides data for use in the analysis does not provide significant appraisal assistance.

Secondly, the reference to "appraisal assistance" means that the contribution is related to the appraisal process or requires appraiser competency. One misconception is that non-appraisers who provide assistance should be identified in the certification. This is incorrect because the certification requirements in USPAP apply only to appraisers. Thus, only appraisers sign the certification or are identified as providing significant appraisal assistance. For example, the use of an environmental expert to determine wetland boundaries would not be considered significant real property appraisal assistance.

Examples of contributions made by appraisers that constitute significant real property appraisal assistance include the identification of comparable properties and data, inspection of the subject property and comparables, estimating accrued depreciation, or forecasting income expenses.

[For further information regarding USPAP Q&As contact The Appraisal Foundation at www.appraisalfoundation.org]

New Licensees – April/May 2007

Victor L. Peters, Jr., State-Licensed –
Agoura Hills, CA

Janet E. Sallander, State-Certified
General – Rosemont, IL

Anthony D. Schnyders, State-
Registered – Sioux Falls, SD

Russell L. Hughes, State-Certified
General – Glen Carbon, IL
Roger Durensky, State-Certified
General – Fargo, ND

Information Regarding Disciplinary Actions

Public information regarding disciplinary action taken against an appraiser is available upon written request to the Department of Revenue and Regulation, Appraiser Certification Program, 445 East Capitol Avenue, Pierre, SD 57501 or e-mail – Sherry.Bren@state.sd.us. Include in the request for information the name of the appraiser and the appraiser's city and state of residence. (Disciplinary action may include denial, suspension, censure, reprimand, or revocation of a certificate by the department. (ARSD 20:14:11:03).

Review of Cases – 1/1/07 through 5/24/07

For the period January 1, 2007 through May 24, 2007 the Department has received 10 upgrade applications, 1 new application claiming experience and initiated 6 complaint investigations.

Upgrades – 5 pending, 1 agreed disposition and 4 issued

New Application Claiming Experience – 1 pending

Complaints – 3 pending, 1 disciplinary action and 2 dismissed with no action

2007 Renewal

The 2007 renewal applications will be mailed the first week in July. In order to renew your certificate for state-certified general, state-certified residential, state-licensed and state-registered appraiser you must submit the completed application, applicable renewal fees and verification of 28 hours of approved continuing education which includes the 7-hour National USPAP update course by August 17, 2007. (The 15-hour national USPAP Course may not be submitted in lieu of the 7-hour National USPAP update course.)

Maintaining an Education Record File

Please be advised that the Department of Revenue and Regulation, Appraiser Certification Program **strongly** recommends that each appraiser registered, licensed or certified by the Department maintain an “education records” file for appraisal course attendance verification. It is much easier to maintain the “education records” file than to have to contact education providers for the documents.

NOTICE Retain a Copy of All Important Records

This is a notice to all licensees that the Department will systematically eliminate past continuing education records from licensee files in order to reduce file storage space. Appraisers are responsible for maintaining all records important to appraiser licensure, so make copies for your files of all records submitted to the Department.

Student Appraiser Guide

The Student Appraiser Guide has been developed by the Appraiser Qualifications Board of The Appraisal Foundation for student appraisers (those individuals who are new to the field) and for those who are changing from one real property appraiser credential to another. The guide will help to:

1. Better understand the requirements for becoming a credentialed appraiser;
2. Make you aware of how this regulatory system works;
3. Make you aware of the changes to minimum criteria that are effective in 2008;
4. Give you some tools to keep good records of your progress in meeting requirements; and
5. Provide additional resources to help answer your questions.

One of the many important items contained in the Student Appraiser Guide is the “Checklists”. The Checklists provide an organized means of tracking your progress as you work toward an appraiser credential.

Example Trainee Checklist (State-Registered Appraiser)

Task or Requirement

- Contacted State Appraiser Regulator Agency to clarify if there are different or additional requirements and implementation scenario used in my state.
- Completed 75 creditable hours of Qualifying Education as specified by Core Curriculum, including 15 hour National USPAP Course and Examination (see **Course Matrix**).
- Maintained appraisal log. (See **Sample Appraiser experience log**). Does the state have its own format?
- Completed additional state requirements, if any.
- Received Trainee credential from state appraiser regulatory agency (if applicable).

The requirements listed on the Checklists for the Trainee (State-Registered), Licensed Residential (State-Licensed), Certified Residential (State-Certified Residential), and Certified General (State-Certified General) classifications conform to the January 1, 1008 AQB Appraiser Qualification Criteria.

These Checklists are generic and may not meet all the requirements of an individual state. Make sure your final list includes your state's requirements.

Another very important item contained in the Student Appraiser Guide is the “Qualifying Education Course Matrix”. The matrix will help you record your progress in completing Qualifying Education requirements for each credential level. The Required Core Curriculum modules are shown in

gray shading. Subtopics listed in boxes without shading are not mandatory for meeting the required core curriculum. The listed subtopics indicate the content coverage expected under each module.

The first modules listed are the 75 class hours required for the Trainee classification. These modules are also required as students advance to the Licensed Residential, Certified Residential and Certified General classifications. The total number of qualifying education hours required for each classification is listed at the end of each section.

The Revised Appraiser Qualification Criteria include the Qualifying Education requirements and the Required Core Curriculum for each classification. Complete details can be found at www.appraisalfoundation.org. (New candidates and candidates wishing to upgrade to a higher classification will be required to maintain the Qualifying Education Course Matrix and submit it as part of the process to meet the qualifications required effective January 1, 2008.)

The Student Appraiser Guide is available at The Appraisal Foundation Website:

www.appraisalfoundation.org. If you have any questions, please feel free to contact Sherry Bren, Appraiser Certification Program, 445 E. Capitol Ave., Pierre, SD 57501; telephone: 605.773.4608; or by e-mail: sherry.bren@state.sd.us.)

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